

Message Text

LIMITED OFFICIAL USE

PAGE 01 COLOMB 05059 211104Z

ACTION TRSE-00

INFO OCT-01 NEA-10 ISO-00 L-03 EB-08 /022 W

-----114594 211250Z /50

R 211045Z DEC 77

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 9089

LIMITED OFFICIAL USE COLOMBO 5059

PASS TREASURY FOR OFFICE OF INTERNATIONAL TAX AFFAIRS

E.O. 11652: N/A

TAGS: EFIN, CE

SUBJ: INCOME TAX TREATY

REF: (A) COLOMBO 4908; (B) STATE 273856

1. THE ECON OFFICER MET WITH SIVAPRAKASAM ON DECEMBER 21 TO DISCUSS THE SUBJECT TREATY. SIVAPRAKASAM SAID THAT HE WAS STILL UNWILLING TO INCORPORATE ANY LANGUAGE ON THE RECAPTURE OF EARLIER TAX HOLIDAY BENEFITS AS PROPOSED REFTEL B. HE EXPRESSED THE VIEW THAT THE ONLY ISSUE STILL IN QUESTION IS USG ACCEPTANCE OF THE SRI LANKAN PROPOSALS FOR ARTICLES 10, 11, AND 12 TO APPLY CONCESSIONARY TAX RATES ONLY TO INCOME FROM INVESTMENTS MADE IN SRI LANKA AFTER SIGNATURE OF A TREATY. HE DID NOT INDICATE ANY POSSIBILITY OF COMPROMISE ON THIS ISSUE.

2. REGARDING THE STATEMENT MADE IN THE FINANCE MINISTER'S NOVEMBER 15 BUDGET SPEECH ON DOUBLE TAX TREATIES (REFTEL A), SIVAPRAKASAM SAID HE FULLY UNDERSTANDS THE USG'S POSITION ON TAX PARITY, AND THE MINISTER'S STATEMENT DOES NOT APPLY TO THE PROPOSED TREATY WITH THE US.

3. ON TAX HOLIDAYS IN THE FREE TRADE ZONE, SIVAPRAKASAM SAID
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 COLOMB 05059 211104Z

THAT A SPECIAL AUTHORITY WOULD BE SET UP WITH COMPLETE JURISDICTION OVER THE ZONE. THE LEGISLATION TO ESTABLISH THE ZONE WILL NOT SPECIFY THE TAX CONCESSIONS TO BE GIVEN, BUT CONCESSIONS WILL BE SUBJECT TO NEGOTIATIONS BETWEEN THE AUTHORITY AND EACH INDIVIDUAL INVESTOR.
WRIGGINS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, INCOME TAXES
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977COLOMB05059
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770475-1058
Format: TEL
From: COLOMBO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771233/aaaabbcf.tel
Line Count: 61
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4a3316ff-c188-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 COLOMBO 4908, 77 STATE 273856
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 161986
Secure: OPEN
Status: NATIVE
Subject: INCOME TAX TREATY
TAGS: EFIN, CE
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4a3316ff-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009